

International Migration: Past...and Future?



Michael S. Teitelbaum

Alfred P. Sloan Foundation, New York

212 649 1649

teitelbaum@sloan.org

What are global patterns in international migration?



- UN estimates are most consistent
- Only 3% of world's population live outside country of birth or residence
- But 6.1 billion (2000)=175 million
- Larger than all but 5 countries in world
 - China, India, USA, Indonesia, Brazil
- Increasing 2.3 million per year (1995-2000)

Unequally distributed



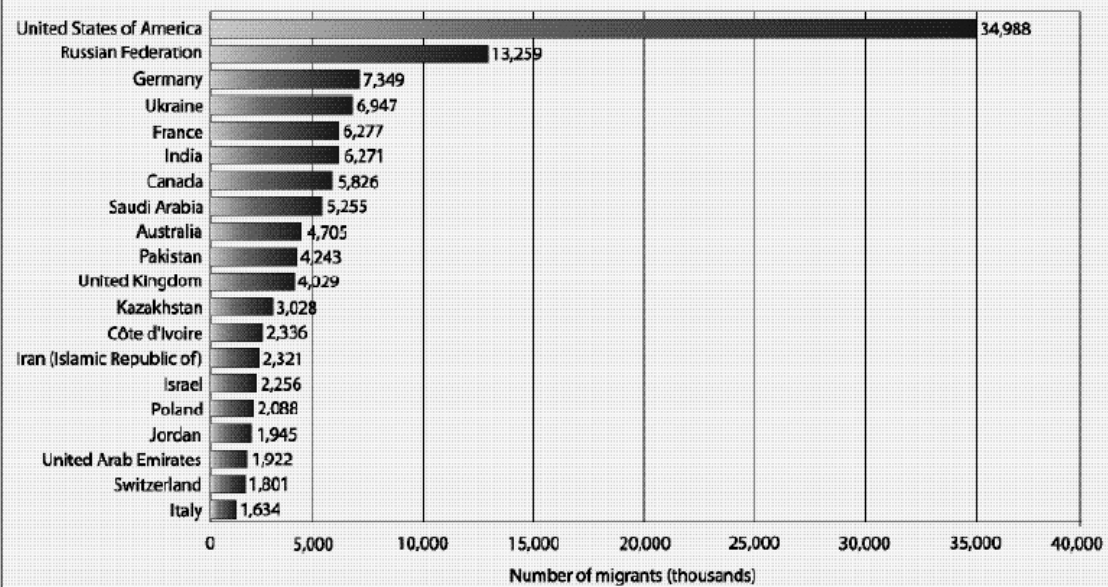
- =8.7% of developed co. population
- =1.5% of developing co. population
- Developed regions <20% of population, but ~60 % of migrants (104/175 million).
- 41m in N America, 56m in Europe (latter distorted by USSR breakup)

In absolute terms



- US has largest = 35 million in 2000
- Russian Federation next, ~13 million

Countries with the largest international migrant stock, 2000

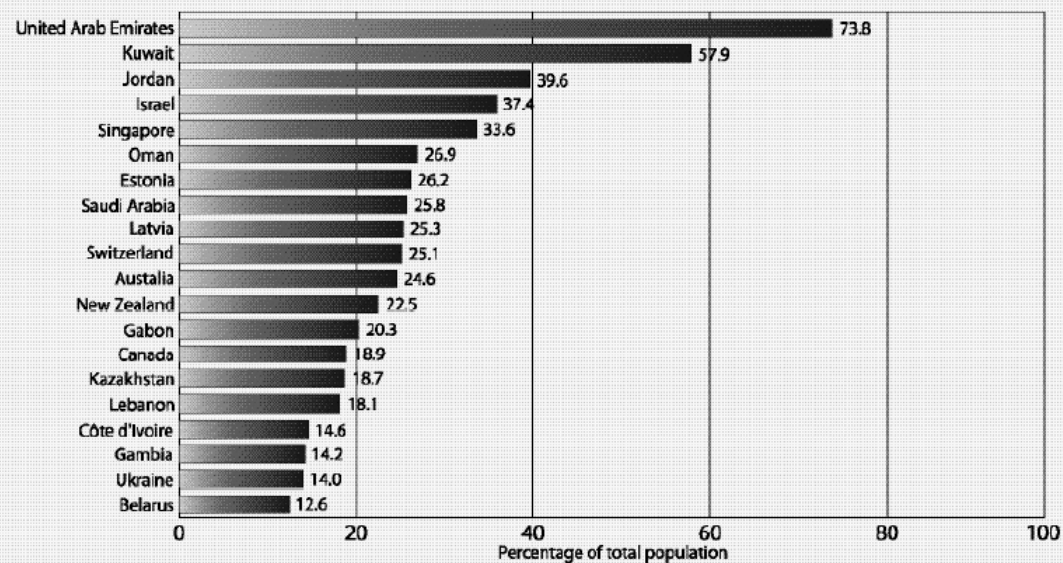


As % of population: different



- Persian Gulf states highest
 - Small indigenous populations
 - large temporary workers populations
 - $\frac{3}{4}$ of populations of UAE and Qatar, $>\frac{1}{2}$ of Kuwait
- Israel and Jordan = ca. 40 %
- High % in tiny European principalities (Andorra, Luxem., Liechtenstein, Monaco)
- Overall, highest % international migrants in small countries

Countries with the highest percentage of international migrant stock in total population, 2000
(Countries with population of 1 million or more inhabitants)



In countries of 20 million+



- those with the largest percentage of foreign stock are listed in Table 1 in text

Table 1: Countries ranked by percentage foreign stock, for countries with total populations of 20 million or more

Country or area	Total Population (thousands)	Migrant stock		Number of refugees a/ (thousands)	Net migration (average annual)	
		Number (thousands)	Per cent of population		Number (thousands)	Rate per 1,000 pop.
	2000	2000		2000	1995-2000	
	(1)	(2)	(3)	(4)	(5)	(6)
Saudi Arabia	20,346	5,255	25.8	5	80	4.3
Canada	30,757	5,826	18.9	127	144	4.8
Kazakhstan	16,172	3,028	18.7	21	-200	-12.2
Ukraine	49,568	6,947	14.0	3	-100	-2.0
United States of America	283,230	34,988	12.4	508	1,250	4.5
France	59,238	6,277	10.6	133	39	0.7
Russian Federation	145,491	13,259	9.1	26	287	2.0
Germany	82,017	7,349	9.0	906	185	2.3
United Kingdom	59,415	4,029	6.8	121	95	1.6
Malaysia	22,218	1,392	6.3	50	9	0.4
Uzbekistan	24,881	1,367	5.5	38	-16	-0.7
Poland	38,605	2,088	5.4	1	-20	-0.5
Venezuela	24,170	1,006	4.2	0	0	0.0
Argentina	37,032	1,419	3.8	2	24	0.7
Iran (Islamic Republic)	70,330	2,321	3.3	1,868	-91	-1.4

In countries of 50 million+

- % foreign-born $> 10\%$ in:
 - Ukraine (14.0 %)
 - U.S. (12.4 %)
 - France (10.6 %)
- Russian Federation and Germany about 9%
- Few others $> 5\%$

What plausible futures?



- Should we assume patterns of past half century will continue for next?
- Or anticipate substantial changes?

My view:




- Unwise to assume past patterns will continue over next 5-7 decades
- Past ½ century: rapid changes
- Some flows (e.g. “refugees”) esp volatile
- More likely: Continuation of change, rather than continuation of past trends

BUT:



- No one knows, or can know, how will change
- Most prognostications based on relatively unconvincing theoretical perspectives, e.g.:

Low fertility=>increased immigration?



- Plausible arguments:
 - To meet labor force needs
 - Inevitable consequence of economic/political integration
 - To finance unsustainable PAYE pensions

Yet equally plausible counter-arguments



- That low fertility rates likely temporary
- Grassroots opposition will prevent increase
- PAYE systems will be restructured
- **My view: The jury is still out...**

Let's assume that immigration numbers will increase

- Clear implications for Social Security?
- Or need further assumptions about...
 - education/skills?
 - workforce participation?
 - earnings potential?
 - and hence taxpaying potential?
- How speculative?

Can we credibly anticipate future of immigration?

- **My view: a hefty dose of humility advisable**
- **Painful to acknowledge: past forecasts of even fertility & mortality weak...**
- **...in magnitudes, sometimes even direction**
 - the 1950s Baby Boom
 - the 1960s Baby bust
 - higher fertility (U.S., U.K.) vs. Germany, Japan, Canada
 - rapidity of increases in life expectancy at age 65
 - increased mortality in Eastern Europe, esp. fSU
 - mortality/morbidity of HIV/AIDS in Africa

Yet immigration even harder to forecast. Why so?

- Data weaker, so weaker baseline populations and rates
- Reversible (& emigration data v. weak)
- Conceptual: “birth” & “death” clear, but “immigration” far less so
 - At what point count as “immigrant?”
Juridical? Visa? Intent? How long present?

Finally, immigration powerfully affected by govts (?)

- View not shared by all
- “Global flow,” stronger than governments?
- Long academic debate; cannot resolve here
- My view: evidence overwhelming that governments have very powerful impacts
 - Does not mean enforcement is always effective
 - To contrary: effective enforcement often difficult politically

Yet govts have major impacts:

- **Nearly all co's with substantial % have policies favoring large-scale admissions**
- **Natural experiment: Far higher migration to US from Puerto Rico than from nearby DR**
- **Origin country policies also important--
Consider...**
 - **if China made passports easily available**
 - **if Mexican govt restrained unlawful immigration**

*Caveat: effects of govt policies
often different than intended*

- **European gastarbeiter policies**
- **U.S. immigration laws of 1965 and 1986**
- **UK govt: allow London Transport and Northern textile firms to recruit in Caribbean and S. Asia**

If you accept that govts have important impacts...

- Then future depends not only on the economic, social and demographic forces in theories
- But also importantly on politics in countries of both origin and destination
- => adequate forecasting about immigration requires predictions about political developments decades from now
- “Projecting the unknowable”...

*Q: “Can US attract quantity/
quality to meet workforce needs?”*

- **Assumption: US will need migration to meet workforce “needs.”**
- **But analytically challenging!**
- **Must first develop credible estimates of future “needs” over long term**
- **Then credible long-term projections of native-born workforce, by occupation, education/skills**
- **I respectfully submit that no one has capability to meet either of these challenges**

Best efforts by BLS

- **Sophisticated 10-year forward look at occupational demands of the US economy**
- **Retrospective evaluations of past projections**
- **“Reasonably accurate” for general trends**
- **Less credible for more detailed occupations**
- **NB: major changes between 2002 and 2004**
- **In any case: BLS time horizon only 10 years--- cannot answer long-term questions of SSAB**

Question: “...to extent can look out into the future, what does global workforce look like?”

- **Re: high-skill workforce, refer you to a recent working paper by Richard Freeman of Harvard and NBER**

Q: “... policies to assist our economy in competing for the workforce it is likely to need?”

Current US immigration policy and workforce questions?

- Overall, skills outcomes bimodal: “twin peaks”
 - large peak at very low levels of skill/education
 - smaller peak at high levels of skill/education
- A happy space for advocates:
- Assertion 1: higher % immigrants than native-born w/advanced degrees (true, but partial)
- Assertion 2: higher % lack primary education, or are illiterate (also true, but partial)

“Shortages”? Low-skill? High?

- **Claim: Looming low-skill “shortage”**
 - Who? Mostly employers in labor-intensive agriculture, hotels/restaurants, etc
 - Claims doubtful, but if true would be easy to import
- **Claim: Looming high-skill “shortage”**
 - Who? Mostly employers in IT, software, computing, healthcare, higher education, etc
 - Claims also doubtful, but if true would also not be difficult to import
 - cf. outcome of H-1B expansion

Harder to foresee: real “need” in US economy of the future?

- Distinguish “need” from demand by employers
- Must also forecast shifts in staffing patterns of US industries due “globalization,” “offshoring”
- History: major industries can decline, migrate:
 - grain & textile production from UK, 19th C
 - consumer electronics from US, 1970-80s
 - British auto industry during the last 30 years

Services offshoring?

- Large % of US workforce in services
- “Offshoring”: rising ease and declining costs of shifting large fractions of services employment to low-wage settings
 - E.g. business processes, accounting, software, information technology

Future offshoring: unknowable

- **Current magnitudes: hazy and indistinct**
- **Wildly differing estimates:**
 - number of jobs
 - true net cost savings involved
 - implications for quality
 - net implications for the overall US economy
 - See Brookings Trade Forum 2005, Offshoring White-Collar Work The Issues and the Implications
- **But unwise to assume continuing proportional growth of services employment inside US**

Feedbacks overlooked?

- Immigration affect domestic workforce trends?
- Occupations affected: domestic workers depart, deter new domestic entrants?
- Long obvious in CA fruit/vegetable agriculture
- Now some high-skill occupations? (S&E? IT?)
- Also hazy/indistinct, but unwise to ignore such feedbacks in long-range projections

To summarize...

- Of 3 primary demographic forces, immigration has the most deficient data
- Also the most affected by policy and politics
- Immigration likely at least as unpredictable as US fertility over past 50-70 years
- Now overlay uncertainties re: future labor needs in US, include feedback loops on future career choices by native-born population
- Prospects for credible long-range forecasts of immigration to the United States?
DAUNTING